

---

## OLR Bill Analysis

HB 5048

### ***AN ACT REQUIRING CERTIFICATE OF NEED APPROVAL FOR THE TERMINATION OF INPATIENT AND OUTPATIENT SERVICES BY A HOSPITAL.***

#### **SUMMARY:**

This bill requires any hospital seeking to terminate currently offered inpatient or outpatient service to file a certificate of need (CON) application with the Office of Health Care Access (OHCA) division of the Department of Public Health (DPH). Generally, existing law requires CON authorization when a health care facility proposes: (1) establishment of new facilities or services, (2) a change in ownership, (3) the purchase or acquisition of certain equipment, or (4) termination of certain services.

It also makes minor and technical changes.

EFFECTIVE DATE: Upon passage

#### **CERTIFICATE OF NEED**

##### ***Termination of Services***

Under current law, while a CON is not required for termination of inpatient or outpatient services offered by a hospital, the facility proposing to terminate such services must file a modification request with the OHCA division if the proposed terminated service was originally authorized under a CON. This request must be filed at least 60 days prior to the proposed termination request. OHCA must hold a public hearing on the request if three or more individuals or an individual representing an entity with five or more people submits a written request for a hearing.

Under the bill, a hospital seeking to terminate any inpatient or outpatient service must file a CON application, but would not have to file the modification request.

Under existing law, unchanged by the bill, termination of inpatient and outpatient mental health and substance abuse services by a short-term acute general hospital or children's hospital does require a CON authorization.

## **BACKGROUND**

### ***Activities Requiring a CON***

By law, the following activities require a CON:

1. establishment of a new health care facility;
2. a transfer of ownership of a health care facility;
3. establishment of a free-standing emergency department;
4. termination by a short-term acute care general hospital or children's hospital of inpatient and outpatient mental health and substance abuse services;
5. establishment of an outpatient surgical facility by a short-term acute care general hospital or by an entity other than a hospital;
6. termination of an emergency department by a short-term acute care general hospital;
7. establishment of cardiac services, including inpatient and outpatient cardiac catheterization, interventional cardiology, and cardiovascular surgery;
8. acquisition of computed tomography scanners, magnetic resonance imaging scanners, positron emission tomography scanners, or positron emission tomography-computed tomography scanners, by any person, physician, provider, short-term acute care general hospital or children's hospital;
9. acquisition of nonhospital based linear accelerators;
10. an increase in the licensed bed capacity of a health care facility;
11. acquisition of equipment utilizing technology that has not

previously been utilized in the state; and

12. an increase of two or more operating rooms within any three-year period, starting on and after October 1, 2010, by an outpatient surgical facility or a short-term acute care general hospital.

***Related Bill***

HB 6371, which has passed the House, exempts from CON review the acquisition of any equipment by a person for use exclusively for scientific research not conducted on human beings.

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable

Yea    17    Nay    9    (03/07/2011)